



County Administrative Office
Governmental & Legislative Affairs

Josh Candelaria
Director

April 10, 2017

The Honorable Susan Talamantes Eggman
Chair, Accountability and Administrative Review
State Capitol Building
Sacramento, CA 95814

Re: AB 912 (Obernolte) - As introduced on February 16, 2017 – SUPPORT

Dear Chairman Eggman:

The County of San Bernardino supports AB 912, which establishes California Small Business Regulatory Fairness Act that will require a state agency to assist a small business in achieving compliance with statutes and regulations administered by the state agency. AB 912 also requires for a policy to be established by December 2018 that provides a reduction cost and under certain circumstances waiver of any civil penalties, if the violation by the small business did not pose an imminent health, safety, or environmental threat.

California enacts thousands of statutes and regulatory agencies change dozens rules each year that affect the business community. Large businesses have the capital to retain representation via an association or through a professional consultant to represent their interest while the changes to the regulations are being made and inform their respective client of how a rule may affect their business practice. Most small businesses do not have the resources to contract for professional services to keep them informed about the various regulations that may affect their business practices. Infractions on small business may cause them to close their doors or reduce their workforce or may fall out of compliance if they fail to meet a regulatory standard. The federal Small Business Association has conducted a peer reviewed study that analyzes the cost of federal government regulations on different size businesses. This research shows that small businesses continue to bear a disproportionate share of the federal regulatory burden. On a per employee basis, it costs about \$2,400, or 45% more, for small firms to comply with federal regulations than their larger counterparts.

In 2006 a small business liaison office was established to assist small businesses in complying with state regulations. The small business liaison provides technical assistance and is prohibited from advocating for or against any regulation, and intervening once enforcement action is initiated. AB 912 moves the state closer to the federal model of having a small business ombudsman that may provide more than technical assistance. Small businesses comprise a large portion of our economic workforce and it is in our

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economic interest to supply small businesses with adequate resources to conduct their business while meeting their regulatory requirements.

For these reasons stated above, the County of San Bernardino is pleased to support AB 912 and respectfully requests an "Aye" vote when the bill comes before your committee. If you have any questions regarding the County's position, please do not hesitate to contact Josh Candelaria, Director of Governmental and Legislative Affairs at (909) 387-4821 or jcandelaria@sbcountry.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Lovingood", enclosed within a thin black rectangular border.

Robert Lovingood
First District Supervisor
Chairman, San Bernardino County Board of Supervisors

c: Honorable Jay Obernolte
Members and Consultants, Assembly Accountability and Administrative Review
Committee
San Bernardino County Legislative Delegation